

CANDICE S. MILLER
10TH DISTRICT, MICHIGAN

WASHINGTON OFFICE:
320 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2106
FAX: (202) 226-1169

DISTRICT OFFICE:
48701 VAN DYKE AVENUE
SHELBY TOWNSHIP, MI 48317
(586) 997-5010
FAX: (586) 997-5013



Congress of the United States
House of Representatives
Washington, DC 20515-2210

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WATER RESOURCES
AND ENVIRONMENT

March 6, 2014

The Honorable Rick Snyder
Governor
State of Michigan
P.O. Box 30013
Lansing, MI 48909

Dear Governor Snyder:

I write today to ask that you consider establishing a public-private partnership to address the growing infrastructure needs in Michigan, specifically the unfinished expansion of the Customs and Border Protection (CBP) Plaza at the Blue Water Bridge. This is both an issue of critical economic importance to the state of Michigan, as well as to the nation.

As you know, in December 2011, Canadian Prime Minister Harper and President Obama signed the Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness agreement designed to foster a perimeter approach to security, infrastructure investment and economic competitiveness. The premise of the agreement was the need to harmonize our efforts in security, regulation and infrastructure planning to aid the flow of commerce and trade that exists between our two nations. The Blue Water Bridge was clearly identified in the action plan as an investment priority – a welcome development that underscores the national importance of this crossing.

The Blue Water Bridge is the second busiest land border crossing on the northern tier of the nation. Both Interstate 94 and Interstate 69 have their genesis at the Blue Water Bridge. It sits at the crossroad of the trade corridor for our nation, ensuring the transit of goods and services that are critical to the economic strength of Michigan and the nation writ large. U.S.-Canada goods and services trade at over \$700 billion each year – much of which is transported across the Blue Water Bridge. In fact, our neighbors in Canada view this as such an important crossing to both security and commerce that they have completed their own plaza expansion. Unfortunately, the United States is significantly behind in our efforts to modernize this vital port of entry.

For more than 10 years, the Michigan Department of Transportation (MDOT) and Federal Highway Administration (FHWA) have worked with CBP and GSA to plan and develop

improvements on and around the international border processing station in Port Huron to expedite commerce crossing the bridge. The lengthy planning process involved multiple local government agencies and resulted in a Record of Decision in May 2009 on a new 57 acre plaza that met CBP specifications at the time. However, soon after submitting the budget request for lease financing, CBP announced that it did not consider the project a funding priority.

Following this disappointing news, MDOT and FHWA worked with CBP to develop a reduced 16 acre plaza proposal with the goal of balancing both functional and budgetary concerns. A Land Port of Entry Feasibility Study Revision was completed; yet, CBP once again announced this project would still not receive priority funding.

The most recent CBP and GSA feasibility study estimates the cost to be \$165 million. Today, despite the approved authorization for CBP to build and a nearly complete design plan for a new plaza, the lot sits vacant.

Optimally, full funding for this project would be included in the President's Fiscal Year 2015 budget request. I have communicated the importance of federal funding for this project to the Administration several times in the past. Unfortunately, the President's Budget that was released recently included funding for only three land ports of entry and none of these were located in Michigan.

Recognizing the fiscal constraints on the federal budget, I believe a public-private partnership is an innovative alternate way to get the necessary resources to finally complete this critical project. Public-private partnerships are contractual agreements between public and private sector entities that allow for the procurement and delivery of a facility or service for public use. This can be accomplished several ways, such as through a lease-purchase agreement where the private sector finances and builds the facility and then leases it to a public agency, through a financial agreement where the public facility is sold to a holding company and then leases it back and continues to operate it, or through a scenario called design-build-finance where the public sector awards a contract for the design, construction and funding of the project and repays it over time; this latter option allows a project to advance that would not be possible under public funding constraints. No two public-private partnerships are alike; each is unique to the infrastructure needs at hand.

The expansion of the CBP Plaza at the Blue Water Bridge is comparatively small in scope. There is a desire with every agency involved for its completion. The only missing link is the funding stream. Over the past decade, millions of dollars have been spent for land acquisition and demolition resulting in many homes and businesses being razed. Yet, this shovel ready project continues to remain vacant. The City of Port Huron and the County of St. Clair have been disadvantaged by the inaction and inability of various government agencies to complete this project. The use of a public-private partnership would be a natural approach here because of the dedicated funding stream available through the tolls collected at the bridge.

Recently, the House Transportation and Infrastructure Committee appointed a special panel on public-private partnerships to examine the current state of these partnerships in the United States and offer any recommendations for possible legislation to be included in the reauthorization of

surface transportation programs that will be considered this year. As the only Member from Michigan on the Transportation and Infrastructure Committee, I was proud to be appointed to this panel. Earlier this week, this panel received Congressional testimony from several public-private partnership experts. Both state officials and private sector experts testified to the importance of these partnerships as states face growing infrastructure challenges and increased budgetary pressure. Experts pointed to the Commonwealth of Virginia as the model for any state considering public-private partnership legislation and that Virginia has been able to realize \$7 in private sector investment for every state tax dollar spent and has repeatedly brought major project in under budget and ahead of schedule.

Currently, there are over two dozen states that have enacted statutes that enable the use of various public-private partnership approaches for the development of transportation infrastructure. I encourage the state of Michigan to follow suit and learn from the examples of states that have gone before it in developing policies and practices with this unique approach to funding.

The economic realities of Washington have challenged our ability to tackle the growing infrastructure needs. This is a project that has been analyzed, studied, and debated for over 10 years, and it is time that we seek alternate solutions. I look forward to your answer on this important project vital to our economy and I look forward to working with you.

Sincerely,



Candice S. Miller

cc: Secretary Jeh Johnson
Secretary Anthony Foxx
Administrator Dan M. Tangherlini
State Sen. Phil Pavlov
State Rep. Paul Muxlow
Mayor Pauline Repp
Commissioner Jeffrey Bohm